

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-183-C - ORDER NO. 2009-633
SEPTEMBER 4, 2009

IN RE:	Application of Inmate Calling Solutions,)	ORDER GRANTING
	LLC d/b/a ICSolutions for a Certificate of)	CERTIFICATE AND
	Public Convenience and Necessity to Provide)	APPROVING
	Intrastate Resold Institutional)	ALTERNATIVE
	Telecommunications Services and for)	REGULATION
	Alternative Regulation within the State of)	
	South Carolina)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Application of Inmate Calling Solutions, LLC d/b/a ICSolutions (“ICS” or “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide specialized institutional telecommunications services throughout the State of South Carolina, pursuant to S.C. Code Ann. §58-9-280(B), as amended, 26 S.C. Code Ann. Regs. 103-823 and Section 253 of the Telecommunications Act of 1996. ICS also sought alternative regulation of its interexchange services, consistent with Order Nos. 95-1734 and 96-55 in Docket 95-661-C as modified by Order No. 2001-997 in Docket No. 200-407-C; waiver of certain Commission Regulations, specifically Regulation 103-610 regarding location of records; and waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts (“USOA”). The Commission’s Docketing Department instructed ICS to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing was to inform

interested parties of the Application of ICS and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. ICS complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

Subsequently, ICS and ORS filed a Settlement Agreement, which is attached as Order Exhibit 1. A hearing was convened on August 3, 2009, at 11:30 a.m. in the offices of the Commission in Columbia, South Carolina, before Randall Dong, Hearing Examiner. ICS was represented by Bonnie D. Shealy, Esquire. The Office of Regulatory Staff was represented by C. Lessie Hammonds.

Kenneth Dawson, Vice President of Contracts and Regulatory for ICS, appeared by video conferencing and testified in support of the Application. The record reveals that ICS is a California limited liability company and has registered to transact business in South Carolina as a foreign limited liability company. According to Mr. Dawson, ICS seeks authority to provide automated collect and pre-paid calling services to inmates of confinement institutions throughout South Carolina, via the resold services of authorized carriers. Mr. Dawson explained the Company's request for authority, and the record further reveals the Company's services and operations.

Mr. Dawson also discussed ICS's technical, financial and managerial resources to provide the services for which it seeks authority. Mr. Dawson offered that ICS is financially able to support its operations in South Carolina. With regard to management and technical capabilities, the Company's Application and Mr. Dawson's testimony both support the conclusion that ICS's management team has extensive experience in the

telecommunications industry that will allow it to be a successful telecommunications carrier within the State of South Carolina. Mr. Dawson's testimony also indicated that the issuance of a Certificate of Public Convenience and Necessity to ICS to operate as a telecommunications service provider in South Carolina would be in the best interest of the citizens of South Carolina, as the Company provides specialized equipment, controls, and restrictions needed in order to allow inmates to remain in contact with family, friends and other associates while also providing facility administrators with necessary controls on inmate communications. Mr. Dawson also testified that ICS will operate in accordance with Commission rules, regulations, guidelines, and Commission orders.

The Company requests a waiver of 26 S.C. Code Ann. Regs. 103-610, since the Company's books are maintained at its California headquarters. Further, the Company requests an exemption from record keeping policies that require maintenance of financial records in conformance with the Uniform System of Accounts ("USOA"). ICS maintains its books in accordance with Generally Accepted Accounting Principles ("GAAP").

After full consideration of the applicable law, the Company's Application, and the evidence represented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. ICS is organized under the laws of the State of California and is authorized to do business as a foreign corporation in South Carolina by the Secretary of State.

2. ICS desires to provide specialized telecommunications services via

automated operator assisted calling services to inmates and other incarcerated persons in confinement facilities throughout the State of South Carolina.

3. We find that ICS possesses the managerial experience and capability to operate as a provider of specialized institutional telecommunications services throughout the State of South Carolina.

4. We find, based on the financial statements submitted by the Company and the testimony at the hearing, that ICS possesses sufficient financial resources to provide the services as described in its Application and testimony.

5. We find that the issuance of a Certificate of Public Convenience and Necessity to ICS to operate as a telecommunications service provider in South Carolina would be in the best interest of the citizens of South Carolina, as the Company provides specialized equipment, controls, and restrictions needed in order to allow inmates to remain in contact with family, friends and other associates while also providing facility administrators with necessary controls on inmate communications.

6. ICS has no current plans to maintain offices in South Carolina and requests a waiver of 26 S.C. Code Ann. Regs. 103-610. The Commission finds ICS's requested waiver reasonable and understands the difficulty presented to the Company should the waiver not be granted. Further, we find that a waiver of 26 S.C. Code Ann. Regs. 103-610 to be in the public interest. We also believe that exemption from the policies that would require the Company to keep its records under the Uniform System of Accounts is reasonable.

7. The Company has the managerial, technical, and financial resources to

provide the services as described in its Application. S.C. Code Ann. Section 58-9-280(B)(1) (Supp. 2008).

8. The Commission finds that the Company's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280(B)(3) (Supp. 2008).

9. The Commission finds that the Company will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280(B)(4) (Supp. 2008).

10. The Commission finds that services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280(B)(2) (Supp. 2008).

11. The Settlement Agreement between the Company and the ORS should be approved.

CONCLUSIONS OF LAW

1. The Commission concludes that ICS possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that ICS will participate in the support of universally available telephone service at affordable rates to the extent that the Company may be required to do so by the Commission.

3. The Commission concludes that ICS will provide services which will meet the service standards of the Commission.

4. The Commission concludes that approval of ICS's Application will serve the public interest, as the Company will provide specialized equipment, controls, and restrictions needed in order to allow inmates to remain in contact with family, friends and other associates while also providing facility administrators with necessary controls on inmate communications.

5. The Commission concludes that the provision of telecommunications service by ICS will not adversely impact the public interest.

6. The Commission concludes that the issuance of the authority requested by ICS as set forth in its Application and Mr. Dawson's testimony is in the best interests of the citizens of the State of South Carolina.

7. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to ICS to provide resold interexchange telecommunications services throughout the State of South Carolina.

8. The Commission concludes that ICS's intrastate interexchange telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be

subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carriers calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$.035 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission.

9. We conclude that with regard to the provision of institutional calling service for local and intraLATA calling, ICS shall not charge rates any greater than the rates charged by the local exchange company at the time a call is placed. For interLATA calling, ICS will not charge operator charges greater than AT&T’s operator charges and shall not charge usage charges that are greater than AT&T’s operator usage charges at the time the call is placed. ICS will not complete automated collect calls until receipt of affirmative acceptance by the called party. Also, ICS shall not charge any subscriber surcharges on calls originating from inmate or correctional facilities. For institutional calling service, call detail information must be submitted to the local exchange company

for billing purposes. We conclude that all Commission PSP guidelines inconsistent with the provision of institutional telephone services outlined in paragraph 7 of the Settlement Agreement with ORS should be waived.

10. We conclude that ICS's request for waiver of 26 S.C. Code Ann. Regs. 103-610 should be granted as strict compliance with the regulation would cause undue hardship on ICS. We also grant exemption from the policies requiring the use of USOA.

11. The Settlement Agreement between the various parties should be approved.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

A. A Certificate of Public Convenience and Necessity should be granted to Inmate Calling Solutions, LLC d/b/a ICSolutions to provide intrastate institutional telecommunications services within the State of South Carolina.

B. The Company's rate designs for its products shall conform to those designs described in Conclusions of Law above.

C. If it has not already done so by the date of issuance of this Order, ICS shall file its revised tariff and an accompanying price list for any applicable rates within thirty (30) days of receipt of this Order. The revised tariff should be electronically filed in a text searchable PDF format using the Commission's DMS system (<http://dms.psc.sc.gov>). An additional copy should be sent via email to etariff@psc.sc.gov to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariff should be made using the ETariff

System. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

D. ICS is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

E. With regard to the Company's resale of service, except for calls placed from phones used by incarcerated persons within correctional facilities, it will allow an end-user to access another interexchange carrier or operator service provider if the end-user so desires.

F. ICS shall resell the services of only those interexchange carriers or local exchange carriers authorized to do business in South Carolina by this Commission.

G. With regard to the origination and termination of toll calls within the same LATA, ICS shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, ICS shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4, of the Stipulation and Appendix B approved by Order No. 93-462.

H. ICS shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the

gross receipt report will necessitate the filing of intrastate information. Therefore, ICS shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website at www.psc.sc.gov/reference/forms.asp or at the ORS's website at www.regulatorystaff.sc.gov. The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1st**.

Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31st** of each year. The proper form for filing gross receipts information can be found at the ORS website at www.regulatorystaff.sc.gov, and the appropriate form is entitled "Gross Receipts Form."

Each telecommunications company certified in South Carolina is required to file annually with the ORS the Intrastate Universal Service Fund ("USF") worksheet, which may be found on the ORS's website at www.regulatorystaff.sc.gov. This worksheet provides ORS information required to determine each telecommunications company's liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than **August 15th** with the Commission and ORS.

I. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and ORS in

writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. ICS shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at www.psc.sc.gov/reference/forms.asp; this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced.

J. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

K. ICS is granted a waiver of 26 S.C. Code Ann. Regs. 103-610 (Supp. 2008), which requires the Company to maintain its financial books and records within the State of South Carolina. ICS is granted permission to maintain its financial books and records at its principal headquarters provided that ICS makes its books and records available for examination upon request by the Office of Regulatory Staff. Further, the Commission acknowledges that ICS shall maintain its financial records in conformance with GAAP. ICS is directed to comply with all Rules and Regulations of the Commission unless a regulation is specifically waived by the Commission.

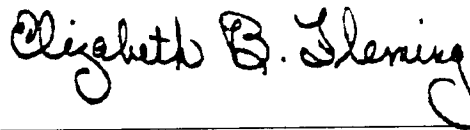
L. ICS will not initially offer or provide any service that would implicate Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a “Public Safety Communications Center,” which is more commonly known as a “911” system or “911 service.” However, should ICS in the

future offer or provide services which would implicate this Chapter, ICS agrees to contact the appropriate authorities regarding 911 services in the counties and cities where the Company will be operating prior to initiating local service in South Carolina.

M. The Settlement Agreement between the various parties is hereby approved.

N. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Elizabeth B. Fleming, Chairman

ATTEST:



John E. Howard, Vice Chairman

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-183-C

In Re:)	
Application of Inmate Calling Solutions, Inc.)	
d/b/a IC Solutions for a Certificate of Public)	
Convenience and Necessity to Provide)	
Interexchange Resold Institutional)	SETTLEMENT AGREEMENT
Telecommunications Services and for)	
Alternative Regulation within the State of)	
South Carolina)	

This Settlement Agreement (“Settlement Agreement”) is made by and among the Office of Regulatory Staff (“ORS”) and Inmate Calling Solutions, LLC. (“ICSolutions” or “the Company”) (collectively referred to as the “Parties” or sometimes individually as “Party”);

WHEREAS, on May 21, 2009, ICSolutions filed its Application requesting (i) a Certificate of Public Convenience and Necessity be granted authorizing ICSolutions to provide resold interexchange telecommunications services throughout the State of South Carolina, pursuant to S.C. Code Ann. §58-9-280(B), as amended, 26 S.C. Reg. 103-823 and Section 253 of the Telecommunications Act of 1996; (ii) alternative regulation of its interexchange services, consistent with Order Nos. 95-1734 and 96-55 in Docket 95-661-C as modified by Order No. 2001-997 in Docket No, 200-407-C; (iii) for waiver of certain Commission Regulations, specifically Regulation 103-610 regarding location of records, (vi) a waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts (“USOA”);

WHEREAS on May 5, 2009, the Commission issued a Notice of Filing and Hearing and established a return date of June 5, 2009, for the filing of letters of protest or petitions to

intervene and established a hearing date of August 3, 2009, for the application to be heard before hearing examiner Randall Dong, Esquire;

WHEREAS, on July 22, 2009, the Company filed the direct testimony of Kenneth Dawson with the Commission;

WHEREAS, the purpose of this proceeding is to review the application filed by ICSolutions and its requests (i) for a Certificate of Public Convenience and Necessity to provide resold interexchange telecommunications services within the State of South Carolina; (ii) for alternative regulation of its interexchange services (iii) waiver of certain regulations of the Public Service Commission of South Carolina ("Commission"), specifically Regulation 103-610 regarding location of records; and (vi) a waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts ("USOA");

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of ICSolutions to provide the services requested in the Application;

WHEREAS, ORS has reviewed the Application and the financial data provided by ICSolutions, and ORS has calculated certain performance ratios based upon information provided by the ICSolutions;

WHEREAS, ORS has investigated the services to be offered by ICSolutions and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by ICSolutions;

WHEREAS, as a result of its investigations, ORS has determined (a) ICSolutions intends to offer resold interexchange telecommunication services; (b) the officers of ICSolutions possess sufficient technical and managerial abilities to adequately provide the services applied for; (c)

based upon the information provided and the analysis performed, ICSolutions appears to have access to sufficient financial resources necessary to provide the services proposed in its application; (d) ICSolutions' proposed tariffs with the amendments as agreed to in this Settlement Agreement comply with Commission statutes and regulations; (e) the provision of services by ICSolutions will not adversely impact the availability of affordable telecommunications services; (f) to the extent it is required to do so by the Commission, ICSolutions will participate in the support of universally available telephone service at affordable rates; and (g) interexchange services by ICSolutions will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the filed testimony of the Company's witness Kenneth Dawson without cross-examination by ORS.

2) The Company has requested a waiver of 26 S.C. Code Ann. Regs. 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 (Supp. 2008) provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

ORS is agreeable to allowing the Company to maintain its books and records outside of the State of South Carolina in exchange for the Company agreeing to provide access to its books and records. ORS is agreeable to the Company maintaining its books and records at its principal offices in California and the Company agrees to notify the ORS of any change in the location of the principal office or in the location where the books and records are maintained. This provision of the Settlement Agreement shall not be construed as a waiver by ORS of S.C. Code Ann. § 58-4-55 (Supp. 2008) or § 58-9-1070 (Supp. 2008). ORS expressly reserves its rights to require the production of books, records and other information located within or outside of the State of South Carolina in order to carry out its duties in compliance with any state or federal regulation;

3) The Company has requested a waiver of any rule or regulation that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts (“USOA”). The Company acknowledges that S.C. Code Ann. § 58-9-340 (Supp. 2008) provides that the ORS may, in its discretion and subject to the approval of the Commission, prescribe systems of accounts to be kept by telephone utilities subject to the commission’s jurisdiction and that the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records accurately and faithfully according to the system of accounts as prescribed by the ORS. The Company agrees to keep its books, papers, and records in such a manner that permits ORS to audit revenues and expenses associated with its South Carolina operations for compliance with programs such as but not limited to the Universal Service Fund (“USF”), Interim LEC Fund, dual party relay service fund, and gross receipts. The Company agrees to complete the reporting forms for such programs as but not limited to USF, dual party relay service fund, Interim LEC, and gross receipts as may be required

by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time;

4) ORS does not oppose ICSolutions' requests for alternative regulation of its interexchange service offerings consistent with the procedures described and set forth in Orders 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C, specifically (i) regulation of these services listed above in the same manner as these services are regulated for AT&T Communications of the Southern States, Inc., (ii) removal of the maximum rate tariff requirements for ICSolutions' business services, private line, and customer network-type offerings, except in instances governed by Order No. 2001-997 which reinstituted maximum rates for surcharges and rates associated with certain intrastate operator-assisted calls; (iii) presumptively valid tariff filings for these interexchange services unless an investigation of a particular filing is instituted within seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; and (iv) grant ICSolutions the same treatment as AT&T Communications of the Southern States, Inc. in connection with any future relaxation of reporting requirements;

5) With regard to the provision of inmate calling service for local and intraLATA calling, ICSolutions agrees not to charge rates any greater than the rates charged by the local exchange company at the time a call is placed. For interLATA calling, ICSolutions agrees not to charge operator charges greater than AT&T's operator charges and shall not charge usage charges that are greater than AT&T's operator station usage rates at the time the call is placed. Additionally, ICSolutions agrees to not complete automated collect calls only after receipt of affirmative acceptance by the called party. Also, ICSolutions shall not impose any subscriber surcharges on calls originating from inmate or correctional facilities;

6) For inmate calling services, call detail information submitted to the local Exchange company for billing purposes must include the PSP access line telephone number as assigned to the premise location by the local exchange company.

7) Where ICSolutions is providing the payphones in confinement facilities, ORS does not oppose the waiver of all Commission PSP guidelines which are inconsistent with the provision of inmate telephone services, including:

- (a) allowance of special blocking features to control fraud and harassment of members of the public by inmates;
- (b) allowing only automated collect calls;
- (c) blocking of calls to specific numbers;
- (d) allowance of certain calls free of charge;
- (e) limitation of duration of call;
- (f) prohibition of access to live operators ,carrier of choice ,and directory assistance;
- (g) exemption from providing access to outside emergency services, but the system should be configured to allow inmates to report emergencies to authorities within the facilities;
- (h) waiver of posting and operator disclosure requirements ;and
- (i) waiver of the rule requiring local and intraLATA calls be routed to the local exchange company 's operator;

8) ICSolutions agrees to resell the services only of those interexchange carriers authorized to do business in South Carolina by the Commission;

9) ICSolutions agrees that, except for calls placed from phones used by incarcerated persons within correctional facilities, it will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;

10) ICSolutions agrees to file necessary financial information as directed by the Commission or ORS for universal service fund reporting, dual party relay service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, and/or any other reporting

which may now or in the future be applicable to telecommunications providers such as ICSolutions. The Parties agree that such reports shall be filed pursuant to ORS' instructions and monies shall be remitted in accordance with the directions of the ORS and/or the Commission.

11) ICSolutions agrees to maintain its books and records in a manner that would permit ORS to examine any of ICSolutions' reports filed with the Commission and provided to ORS.

12) ICSolutions agrees to file with the Commission and ORS a completed authorized utility representative form within thirty (30) days of receipt of the Commission's order.

13) In the event that ICSolutions offers prepaid calling card services in the future, ICSolutions agrees that it shall obtain Commission approval and post a surety bond, irrevocable letter of credit or certificate of deposit in the amount of \$5,000 as required by the Commission;

14) In the event that the Company expands its authority and offers prepaid local exchange service, ICSolutions agrees to comply with South Carolina Regulation 103-697 in that they will obtain a bond, irrevocable letter of credit, or certificate of deposit per the Commission's request.

15) ICSolutions agrees to comply with the verification regulations governing change of preferred carriers as established by the Federal Communications Commission ("FCC"). ICSolutions agrees to comply with the marketing practices and guidelines established by the Commission in Order No. 95-658;

16) ICSolutions agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, to the extent applicable, ICSolutions agrees to adhere to the FCC's rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes

and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, ICSolutions shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

17) To the extent necessary, ICSolutions agrees to engage in good faith negotiations with non-BellSouth incumbent local exchange carriers whose networks interconnect with BellSouth at the same local tandem regarding traffic exchange;

18) It is understood and agreed that ICSolutions will not initially offer or provide any service that would implicate Title 23, Chapter 47 of the South Carolina Code Annotated regarding "Public Safety Communications Centers," but in the event that ICSolutions in the future offers or provides a service to which Title 23, Chapter 47 of the South Carolina Code regarding "Public Safety Communications Centers," also known as 911 services, ICSolutions agrees to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a "Public Safety Communications Center," also known as 911 services." At that time, ICSolutions agrees to contact the appropriate authorities regarding 911 services in the counties and cities where ICSolutions will be operating prior to initiating local service in South Carolina and shall provide the 911 coordinator in each county and/or city with information regarding ICSolutions's operations.

19) ICSolutions agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

20) ICSolutions agrees to file a final revised tariff with both the ORS and the Commission and the revised tariff shall reflect and be in accordance with ORS' recommendations.

21) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes this Settlement Agreement reached among the Parties serves the public interest as defined above;

22) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

23) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.

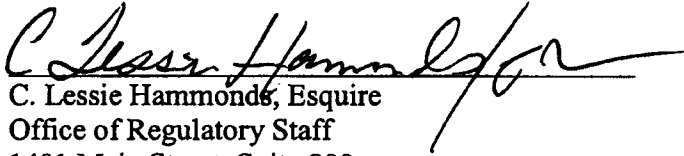
24) This Settlement Agreement shall be interpreted according to South Carolina law.

25) The Parties represent that the terms of this Settlement Agreement are based upon full and accurate information known as of the date this Settlement Agreement is executed. If, after execution, either Party is made aware of information that conflicts, nullifies, or is otherwise materially different than that information upon which this Settlement Agreement is based, either Party may withdraw from the Settlement Agreement with written notice to the other Party.

26) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

Representing the Office of Regulatory Staff

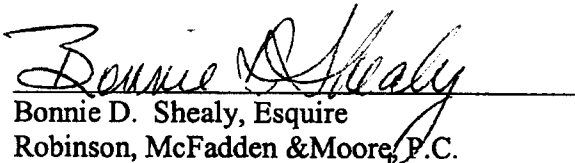


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7/29/09
Date

WE AGREE:

Representing Inmate Calling Solutions, LLC.



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July 28, 2009
Date